(f) In case of large projects SEBI ensures that the details of untied in disclosed in public issue documents in an appropriate manner.

Infrastructure Financing by Financial Institutions

6904. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have set up a high level committee to discuss infrastructing financing by Financial Institutions;

(b) if so, who are members of this high level committee;

(c) whether industrial finance would suffer due to this requirement of infrastructure financing; and

(d) the steps proposed to assess such needs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Yes, Sir. An Expert Group on commercialisation of infrastructure projects has been set up in October, 1994 with representatives from the various Department of the Central Government, from National Stock Exchange, Securities and Exchange Board of India, Housing & Urban Development Corporation of India, Infrastructure Leasing and financial Services, Mahanagar Telephone Nigam Ltd., Industrial Credit and Investment Corporation of India Ltd. and from Privae Sector.

(c) and (d) The Expert Group would examine problems relating to institutional arrangements, legal framework and specific sector constraints that are presently inhibiting the flow of resources to the sector and in particular recommend suitable ways and means to facilitate private sector participation, private-public Sector partnership in financing infrastructural projects, and ways of harnessing private international capital flows for infrastructural development also.

RBI to monitor end use of funds by companies

6905. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether RBI was working on a mechanism to monitor end-use of funds by companies;

(b) what were the reasons for considering the formation of such a mechanism;

(c) whether Government has received reports of misuse of funds from Financial Institution by companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) (a) and (b) Reserve Bank of India (RBI) has reported that it is necessary for every bank to ensure that credit extended by it to a borrower is utilised for the purpose for which the credit facility is sanctioned. With the objective of ensuring that banks follow the lending discipline and lending guidelines issued to them by RBI, RBI has been scrutinising reports submitted by banks at post-sanction stage under its Credit Monitoring Arrangement.

(c) and (d) Presumably, the Hon'ble Member is referring to sanction of bridge loans by banks and financial institutions. RBI has reported that a sample scrutiny of bridge loans of Rs. 5 crores and above sanctioned by banks during the period December 1, 1993 to March 31, 1994, did not reveal any specific misuse of bridge loans by the borrowers. But it was found that banks were not ensuring end-use of funds lent.

Rehabilitation of sick small units

6906. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether SIDBI has a scheme to finance rehabilitation of sick small scale units;

(b) if so, the details thereof; and

(c) the units have obtained Finance for rehabilitation of sick units in 1994-95?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Small Industries Development Bank of India (SIDBI) has reported that it has been operating a refinance scheme for rehabilitation of sick small scale industrial (SSI) units. The scheme *inter alia* envisages that potentially viable units in the SSI sector conforming to the definition of sick unit and meeting viability norms would be eligible for rehabilitation refinance from SIDBI. The period of repayment of rehabilitation loan is fixed on a case to case basis, depending upon debt service coverage ratio (DSCR) and the maximum repayment period of loan shall not exceed 10 years.

(c) SIDBI has reported that it has sanctioned Rs. 3.78 crores and disbursed Rs. 1.35 crores to 77 sick SSI units during the financial year 1994-95.

Financial Institutions to reduce their stake in equity holdings

6907. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government will constitute a committee of Secretaries to examine proposals to set some general principles for financial institutions to reduce their stake in equity holdings;

(b) if so, by when such a committee will be constituted; and

(c) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No such proposal is under consideration at present.

(b) Does not arise.

(c) Financial Institutions (FIs) follow their own policies as regards disinvestment of their shareholdings in industrial concerns. It may, however, be added that Government had in May 1990 issued guidelines relating to transactions in shares by FIs in order to make such transactions more open and transparent.

World Bank Policy in India

6908. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether in a major policy shift the new World Bank President has said that instead of financing dams and other big development projects in the third world the Bank will focus more on private investments; and

(b) if so, the reaction of Government thereto and the likely impact of this new World Bank policy on India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The question relates to an article in the New York Times of April 27, 1995, which had reported Mr. Wolfensohn's emphasis on an advisory role and on private investment.

Mr. James B. Wolfensohn, the President designate, World Bank is to join World Bank with effect from June 1, 1995 in place of late Mr. Aewis T. Preston. Mr. Wolfensohn, when approached on the news item clarified that he is still a long way from being ready to lay out his vision of the Bank.

Advisory Committee of RBI

6909. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has an advisory Committee;

(b) whether any representatives or votaries of the small scale sector are included in the Advisory Committee; and

(c) the details of the constitution of this Advisory Committee?